

ABOUT THE RETAIL COACH



Since 2000, we have provided the research, relationships, and strategies needed to drive new retail developments.

Retailers Recruited to Client Communities



...and hundreds more

17+

YEARS OF
EXPERIENCE

450+

CLIENT
COMMUNITIES

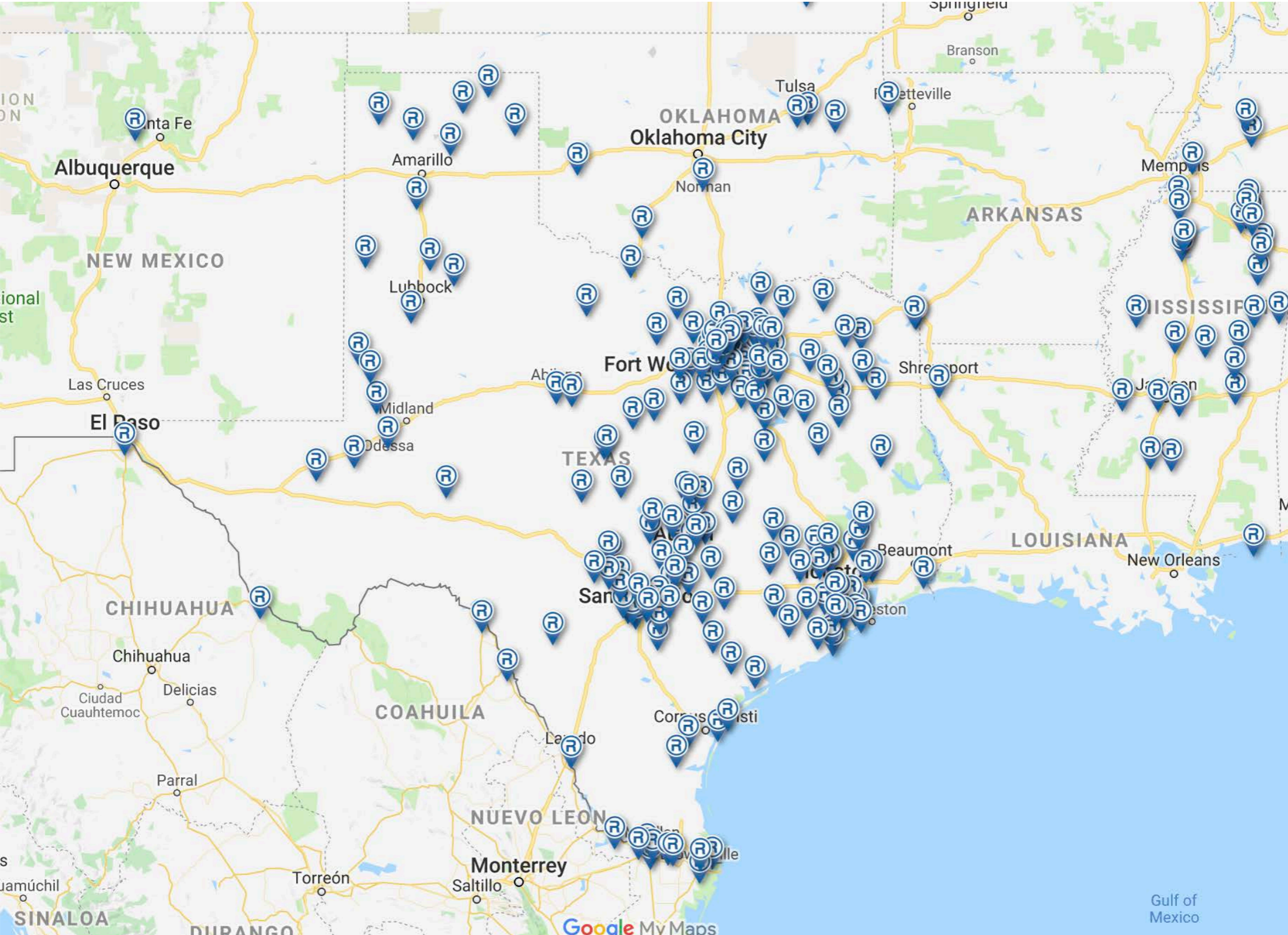
35+

OF STATES
WE'VE WORKED
IN

80%+

OF CLIENTS
HIRES US
MULTIPLE TIMES

WE KNOW TEXAS



The background image shows the exterior of an Amazon Go store. The building has large glass windows and a prominent "amazon go" logo on the facade. A tree is visible in the foreground, and the overall scene is dimly lit, suggesting an evening or overcast day. The text "Retail Trends: What We've Seen and What to Expect" is overlaid in white on the left side of the image.

Retail Trends: What We've Seen and What to Expect

KEY RETAIL TRENDS WE'VE SEEN IN 2018

1

Retailers continuing to open new physical locations

2

Growth of value (or middle) retailers

3

Continued emergence of experiential retail

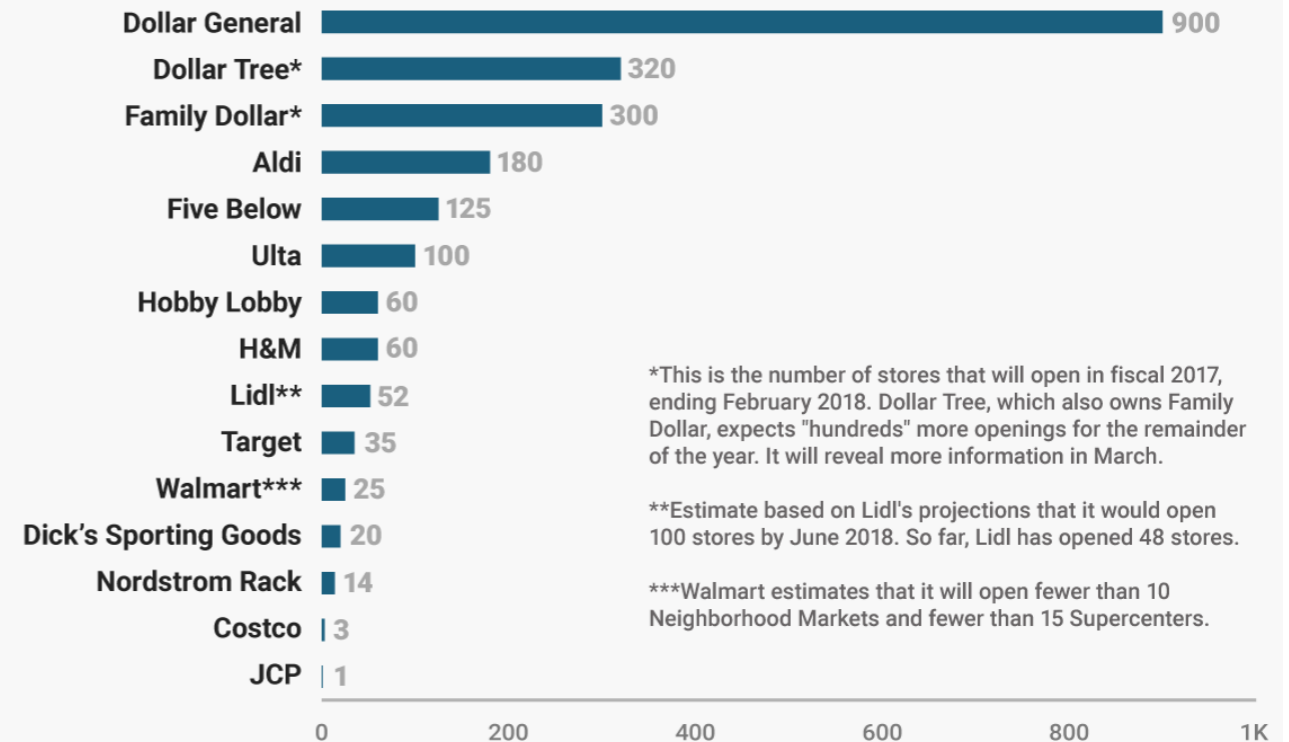
4

Smaller footprints and new store formats

5

Continued overall retail growth

New store openings in 2018



Year-to-Date U.S. Store Opening Announcements

3,42

7
Total announced store openings

+49

%
Year-over-Year Growth

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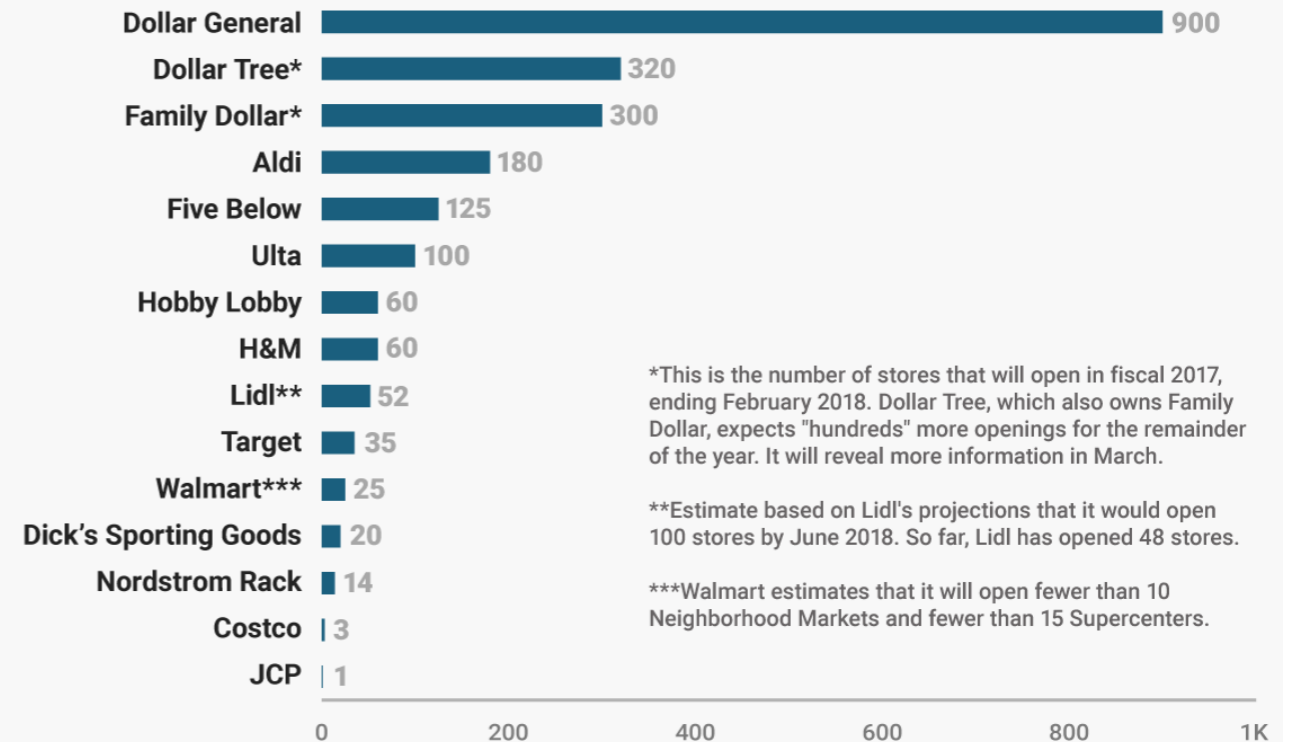
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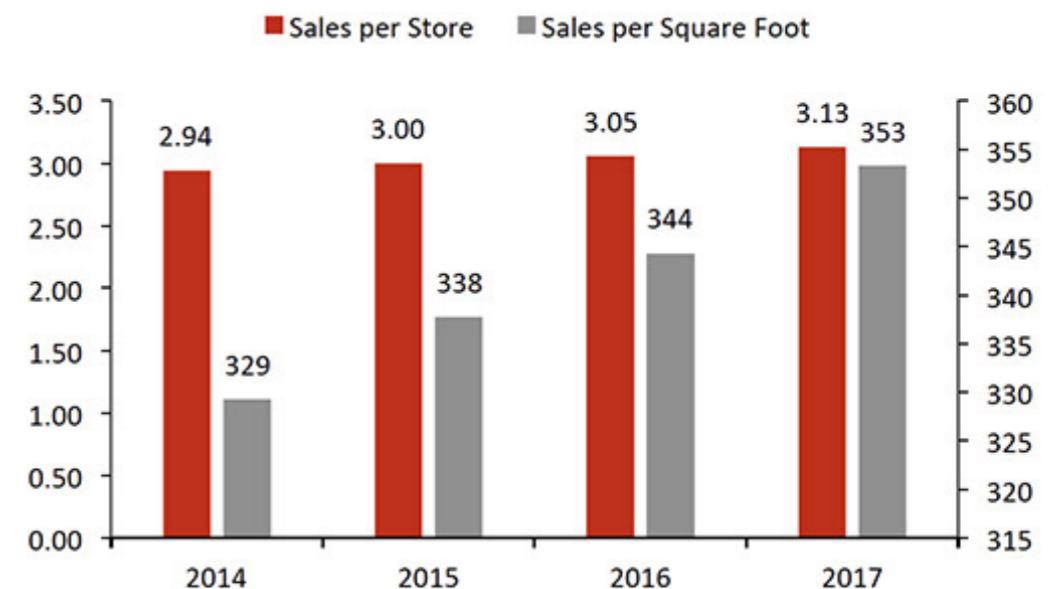
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Figure 6. US Retail: Average Annual Offline Sales per Store (USD Mil., Left Axis) and Average Annual Offline Sales per Square Foot (USD, Right Axis)



Based on annual average store numbers and selling space
Source: US Census Bureau/Euromonitor International/FGRT

Retailers are shrinking stores and focusing on improving sales per sf

KEY RETAIL TRENDS WE'VE SEEN IN 2018

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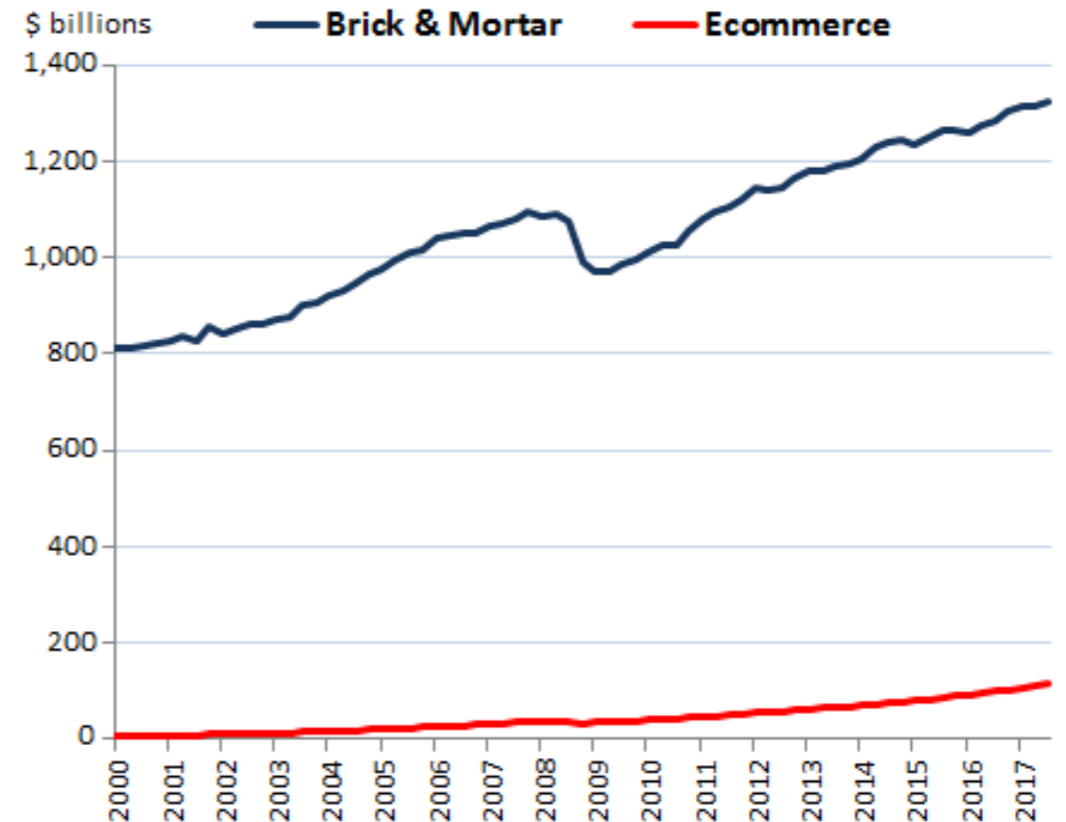
2 Growth of value (or middle) retailers

3 Continued emergence of experiential retail

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Brick-and-Mortar Sales v. E-Commerce Sales



Source: US Commerce Dept.

WOLFSTREET.com

78% of consumers

WHAT TO EXPECT

1. CONSUMER PREFERENCES CONTINUE TO EVOLVE



78% of consumers are shopping in stores either about the same or more than they were a year ago. More importantly, younger generations - Millennials and Gen Z - are visiting stores more.



Right now, the most impactful innovations are those that are transforming, not replacing, the physical retail experience. When asked about their experience with specific retail technologies, customers were most likely to say that buy online, pick up in store, in-app store navigation, and mobile payment actually improved their shopping experience.

WHAT TO EXPECT

2. RETAIL RE-INVENTION AND TRANSFORMATION

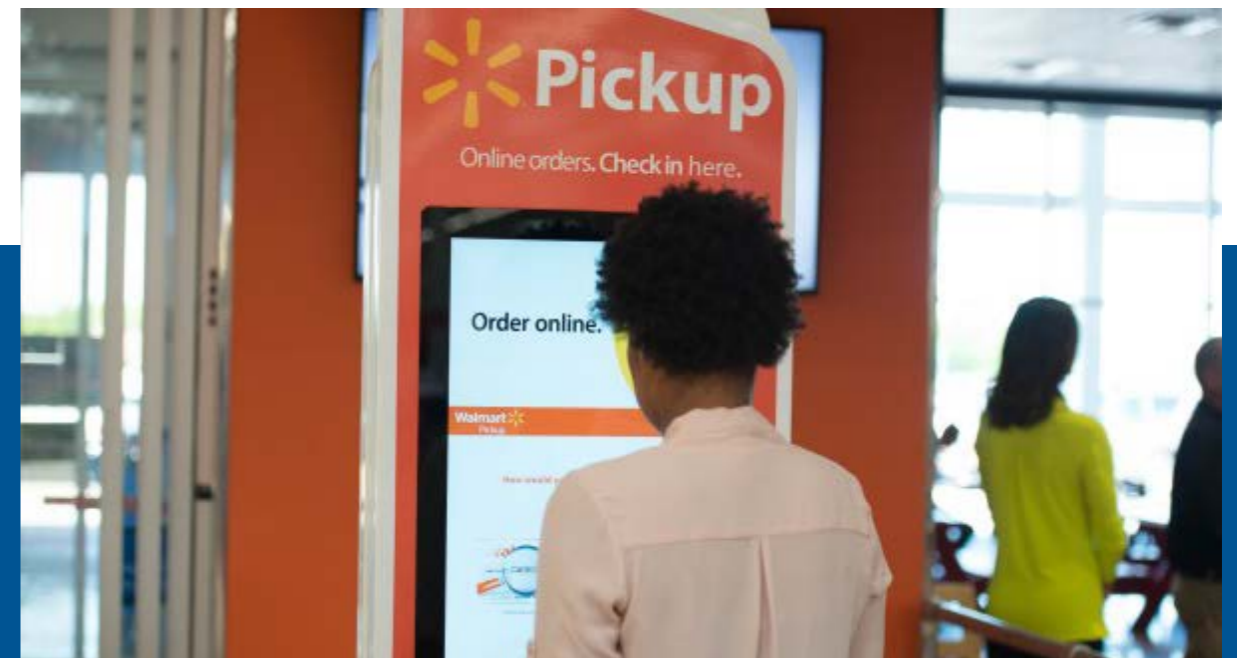
New consumer behaviors and technological advances have disrupted the retail landscape. To secure their place, brands are triggering a transformation. They recognize the need to be **more efficient, innovative, and relevant** in adapting to their customers' needs and demands

70% of consumers say technology has made it easier than ever to take their business elsewhere.

(source: Salesforce, 2017)



Kohl's and Amazon are teaming up to bring Amazon Products in-store for customers to experience through their "Smart Home Store"



Walmart has been aggressively adding new customer conveniences in order to appeal to today's shoppers. This includes discounts for in-store pickup, Easy Reorder, and testing 24-hour automated shopping kiosks

WHAT TO EXPECT

3. BRICK & MORTAR MAKEOVERS

Retailers are redefining what it means to have a physical retail space. Focused on adding relevance and reimagining the in-store experience, retailers are turning to new small-format stores.

75% of Customers still want to see a product in-store before purchasing.

(source: Alliance Data, 2017)

Target Express



Target plans to grow its college campus-focused Target Express store formats, opening more than 130 stores by 2019.

Sephora Studio



Focusing on beauty consultations and services, Sephora has launched a new small-format, neighborhood concept dubbed Sephora Studio.

Whole Foods



Whole Foods has opened small-format 365 stores with a focus on a fast, customer-friendly experience and lower everyday prices.

WHAT TO EXPECT

4. SUBURBAN POPULATION GROWTH AND THE REEMERGENCE OF DOWNTOWNS

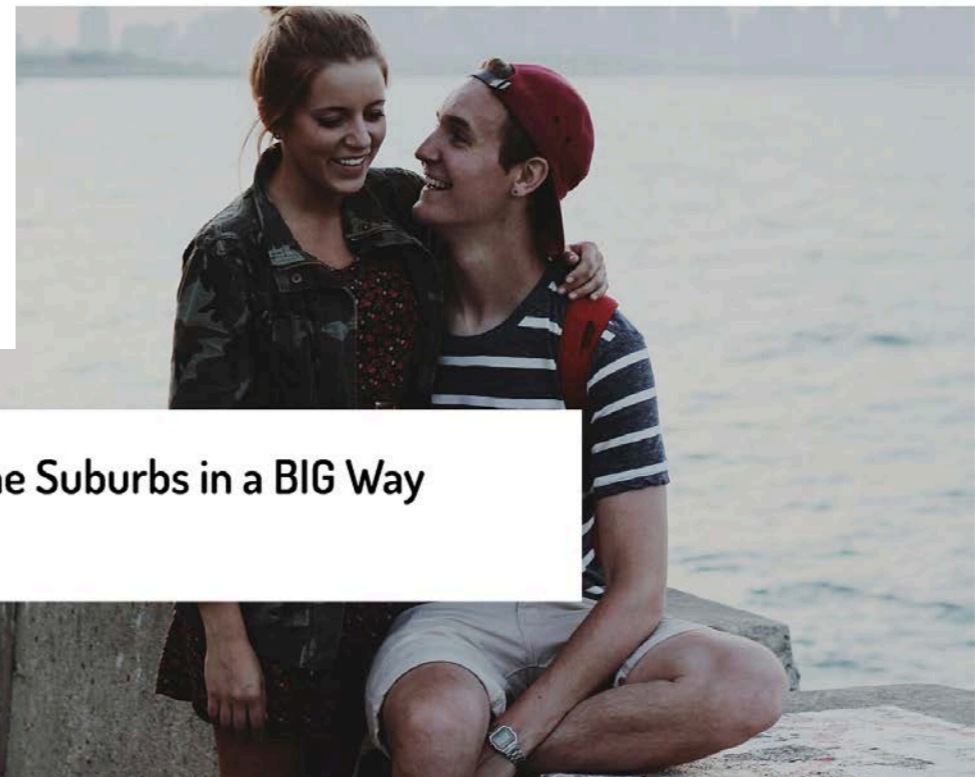
PEOPLE ARE MOVING TO SMALLER TOWNS AND WANT TO LOCATE IN COMMUNITIES THAT HAVE EVERYTHING... **INCLUDING RETAIL AND VIBRANT DOWNTOWNS**

OPINION | [VIEW](#)

Those Shiny New Apartments Aren't What Millennials Need

Property and demography

High prices in America's cities are reviving the suburbs



Millennials Hit the Suburbs in a BIG Way

Posted on January 8, 2018

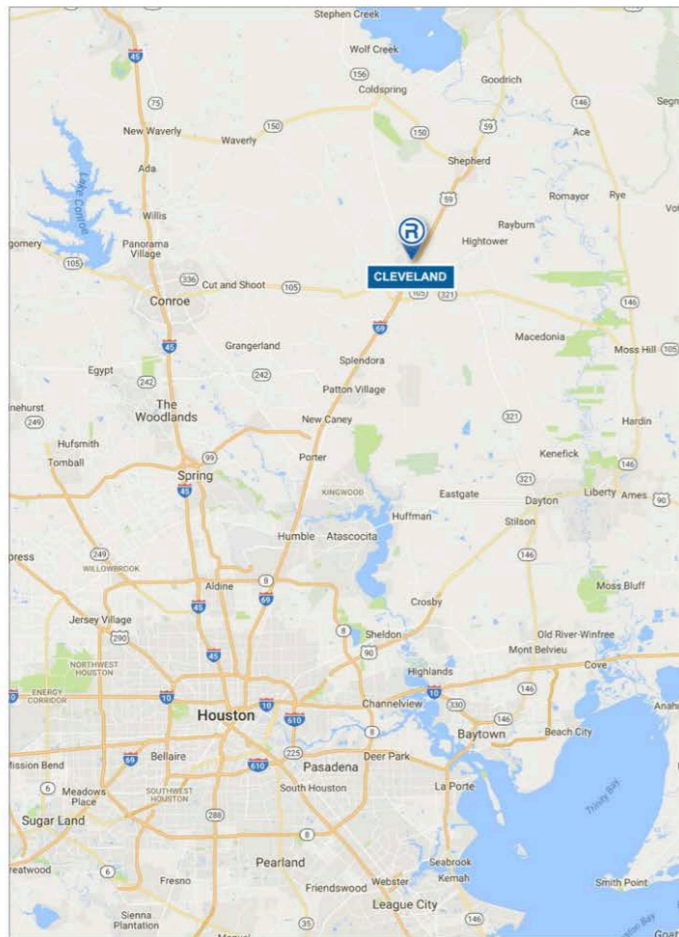
An aerial, blue-tinted rendering of a modern retail center. The scene features a large, multi-level parking lot filled with cars, a long, single-story retail building with a red roof, a multi-story office or residential building, and a gas station with several pumps. The area is landscaped with trees and green spaces. The text "Practical Ways to Grow Your Retail Base" is overlaid in white on the left side of the image.

Practical Ways to Grow Your Retail Base

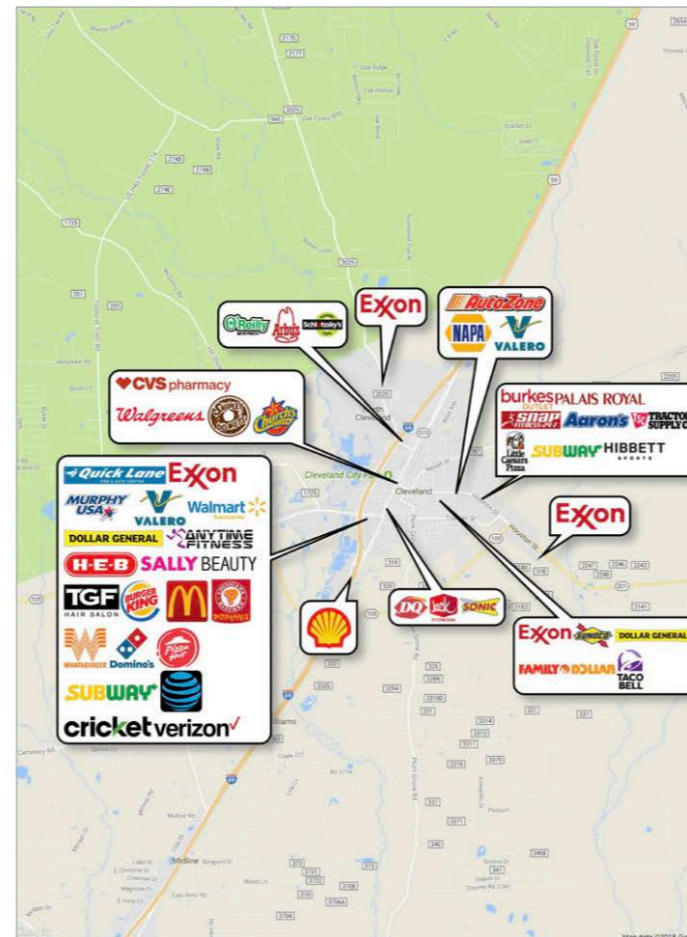
TOOLS FOR GROWING YOUR RETAIL BASE

START WITH AN **AREA MARKET ANALYSIS**

LOCATION MAP



EXISTING RETAIL



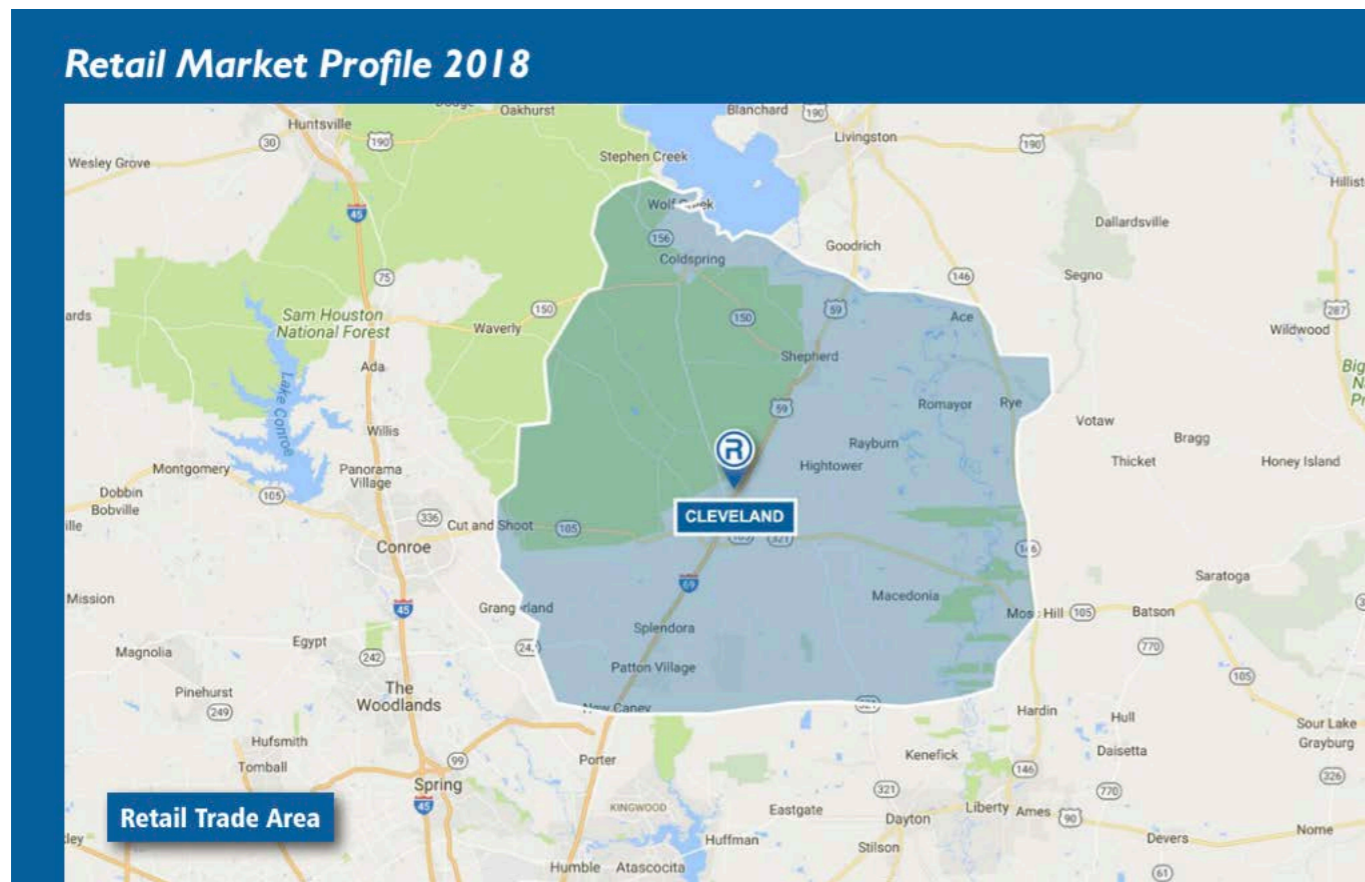
- Document and analyze your existing retail base
- Retailers look very closely at store spacing
- Know your competition and what retailers are in surrounding communities

TOOLS FOR GROWING YOUR RETAIL BASE

GO BEYOND CITY OR COUNTY POPULATION.

YOU NEED TO KNOW YOUR COMMUNITY'S **RETAIL TRADE AREA**

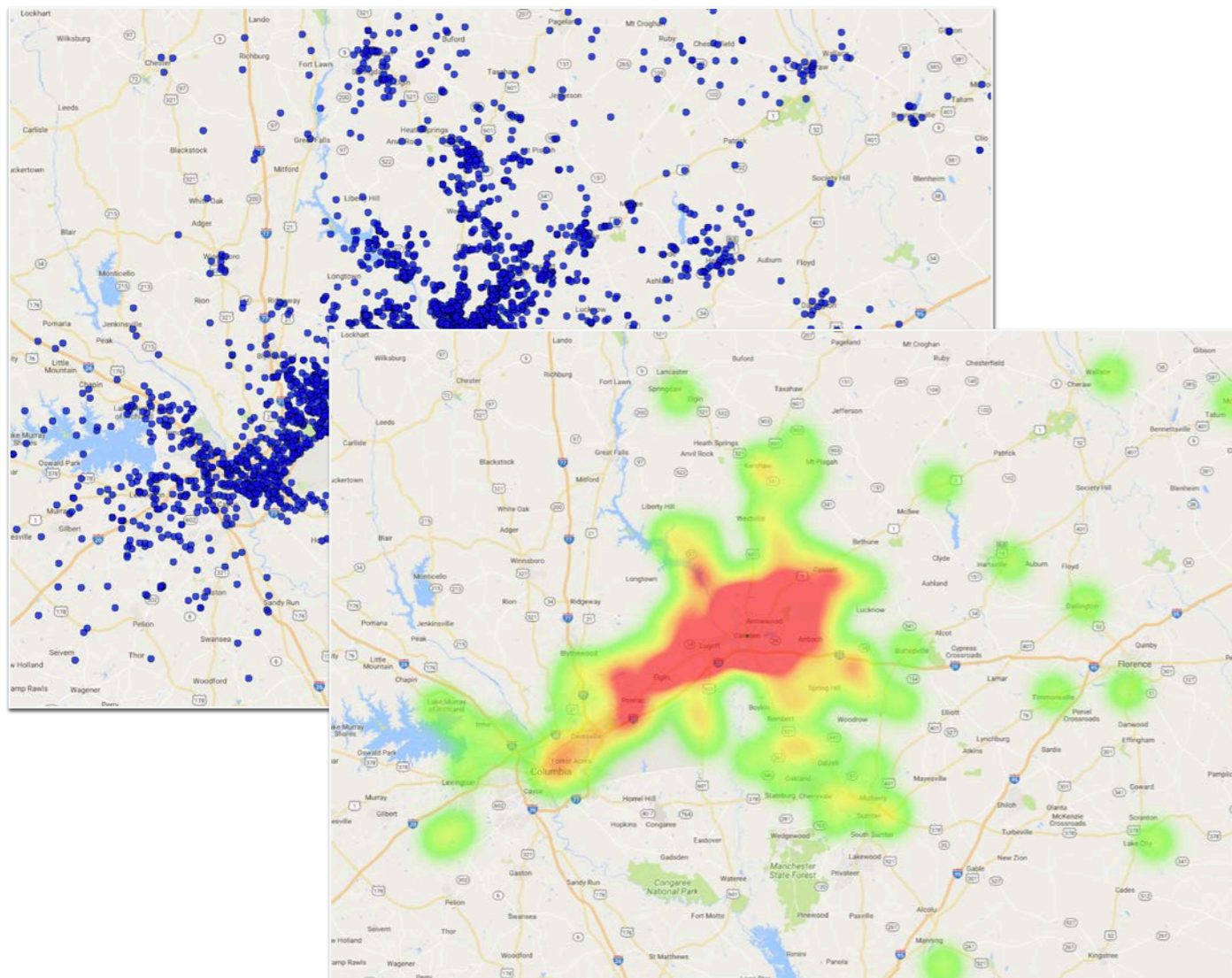
- Determine and map your consumer draw
- Analyze the largest influx or outgoing traffic patterns to determine where shoppers are coming from in your community



TOOLS FOR GROWING YOUR RETAIL BASE

USE *ACTUAL CONSUMER DATA* TO DEFINE YOUR **RETAIL TRADE AREA**

- Use Cell Phone and GPS Data to determine where shoppers in your community live and what their path to purchase is
- This will help you better understand your community and it helps retailers and developers make better decisions about coming to your community



TOOLS FOR GROWING YOUR RETAIL BASE

UNDERSTAND YOUR RETAIL TRADE AREA **DEMOGRAPHIC AND PSYCHOGRAPHIC PROFILES**

Lifestyle Segmentation



SEGMENT 1:

- Shops at Cabela's
- Eats at Chili's, Chick-fil-A
- Owns Ford F-150
- Goes hunting, fishing, camping
- College degree



SEGMENT 2:

- Shops at Nordstrom
- Prefers natural, organic products
- Owns BMW 5 Series
- Plays golf, tennis
- College degree

- **DEMOGRAPHICS:** Understand consumers for their unique attributes, including:
 - Population Growth
 - Age, Race
 - Education
 - Household Income
 - Per Capita Income
- **PSYCHOGRAPHICS:** Consumer values and lifestyles drive a desire for particular products/services

TOOLS FOR GROWING YOUR RETAIL BASE

DETERMINE YOUR RETAIL SALES LEAKAGE

- Identifies sales leakage occurring when residents dine or purchase products outside your community
- Measures consumer demand and retail opportunity

SECTOR	DESCRIPTION	POTENTIAL SALES
44, 45, 722	Total retail trade including food and drinking places	\$811,148,239
441	Motor vehicle and parts dealers	\$166,314,700
4411	Automobile dealers	\$140,326,347
4412	Other motor vehicle dealers	\$12,774,108
4413	Automotive parts, accessories, and tire stores	\$13,214,244
442	Furniture and home furnishings stores	\$14,927,707
4421	Furniture stores	\$8,263,332
4422	Home furnishings stores	\$6,664,375
443	Electronics and appliance stores	\$12,090,496
443141	Household appliance stores	\$2,392,747
443142	Electronics stores	\$9,697,750
444	Building material and garden equipment and supplies dealers	\$55,183,267
4441	Building material and supplies dealers	\$50,391,584
44411	Home centers	\$30,431,233
44412	Paint and wallpaper stores	\$725,523
44413	Hardware stores	\$3,533,426
44419	Other building material dealers	\$15,701,402
4442	Lawn and garden equipment and supplies stores	\$4,791,683
44421	Outdoor power equipment stores	\$991,014
44422	Nursery, garden center, and farm supply stores	\$3,800,669
445	Food and beverage stores	\$101,338,244
4451	Grocery stores	\$94,219,005
44511	Supermarkets and other grocery (except convenience) stores	\$92,157,838
44512	Convenience stores	\$2,061,167
4452	Specialty food stores	\$1,815,659

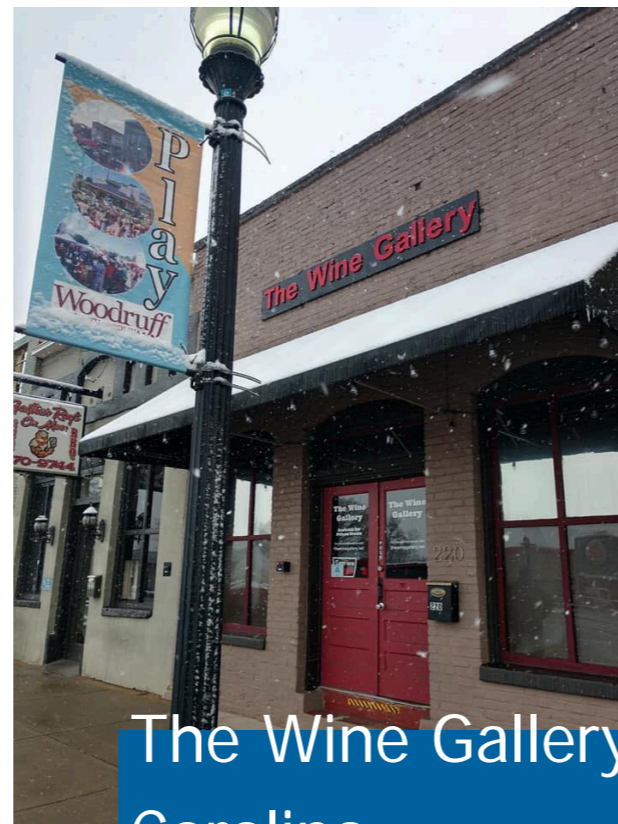
TOOLS FOR GROWING YOUR RETAIL BASE

EMPOWER LOCAL RETAILERS & ENTREPRENEURS

Food Truck Tuesdays- Smyrna, Georgia



- New retail doesn't always have to come from the outside
- Create events and promote things like food trucks or downtown experiences
- Empower local retailers and entrepreneurs to fill retail gaps through:
 - New offerings
 - New restaurants or concepts



The Wine Gallery - Woodruff, South Carolina

TOOLS FOR GROWING YOUR RETAIL BASE

KNOW THE DAYTIME & WORKFORCE POPULATIONS IN YOUR COMMUNITY

- This is particularly important for restaurants and retailers that require large population bases that will shop or dine during the day

Major Employers

Company Name	Employees
Sumner County Schools	3,987
Sumner Regional Hospital	1,234
Gap, Inc.	843
Volunteer State Community College	497
Servpro Industries, Inc./Corporate HQ	435
YFS Automotive Systems	364
City of Gallatin	350
Salga Plastics	286
Hoeganaes, Inc.	243
ABC Technologies	235
NIC Global Manufacturing Solutions	171
R.R. Donnelley & Sons	146
ITW/CIP Tennessee	143
Charles C. Parks Co.	125
Rich Products	112
Beretta, USA	94

Demographics



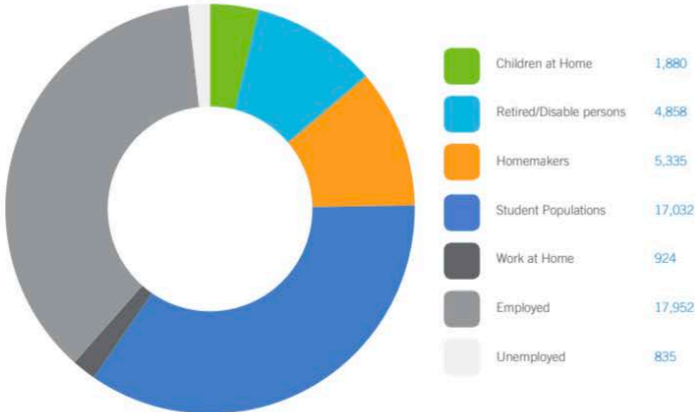
Peer Analysis

The Peer Analysis, built by Retail Strategies along with our analytics partner (Tetrad), identifies analogue retail nodes within a similar demographic and retail makeup. The Peer Analysis is derived from a 5 or 10 minute drive time from major comparable retail corridors throughout the country. The variables used are population, income, daytime population, market supply and gross leasable area. The following are retail areas that most resemble this core city:

Peer Trade Areas

Paducah, KY	5130 Hinkleville Road
Winder, GA	440 Atlanta Hwy NW
Northport, AL	5710 McFarland Blvd
Knoxville, TN	7550 Norris Fwy
Kernersville, NC	1130 S Main Street
Smyrna, TN	570 Enon Springs Rd E

Daytime Population 48,816 (10 Minute Drive Time)



Focus Categories

TOOLS FOR GROWING YOUR RETAIL BASE

KNOW **AVAILABLE SITES AND PROPERTIES FOR DEVELOPMENT**

CONDUCT A **LAND USE ANALYSIS AND MARKET YOUR VISION** FOR RETAIL DEVELOPMENT & REVITALIZATION

- The first questions an interested retailer asks: “Where can I put my business?” And “Send me possible sites that match my needs”
- Be able to clearly communicate and demonstrate your vision for use and/or revitalization
- Identify land assemblage opportunities for retail development


TOOLS FOR GROWING YOUR RETAIL BASE

RETAILER TARGETING AND **RECRUITMENT**

- Target retailers that “fit” your community based on results of your market analysis
- Understand their location criteria before recruiting
- Research the regional or state real estate contact

TOOLS FOR GROWING YOUR RETAIL BASE

REPRESENT YOUR COMMUNITY AT **ICSC AND OTHER CONFERENCES AND RETAIL EVENTS**




Preliminary Program

Red River States Conference & Deal Making

Fort Worth Convention Center | Fort Worth, TX
January 9 – 11, 2019
#ICSC

- Target retailers at national and regional events
- Be prepared to connect with retailers, developers, brokers, and site selectors to pitch sites in your community
- A booth can be a huge investment depending on the conference, so make sure you are prepared and have enough staff to represent your community well and time to facilitate meetings



RECON

May 19 – 22, 2019 | Las Vegas, NV | #ICSCRECon
Las Vegas Convention Center & Westgate Hotel

TOOLS FOR GROWING YOUR RETAIL BASE

RECRUIT RETAILERS AND DEVELOPERS WITH **DATA, SITES, AND A REALISTIC PLAN**

- Conceptual site plans
- Incentive packages
- Proactive, business-friendly community

TOOLS FOR GROWING YOUR RETAIL BASE

TAKE A **LONG TERM APPROACH**

**RETAIL RECRUITMENT IS A
PROCESS, NOT AN EVENT**